



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

April 21, 2000

Jeff Sagers  
Terra Resources, LLC  
2016 South Montana Avenue  
Provo, Utah 84606

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Pine Spring/Clarks Basin Project, S/003/053, Box Elder County, Utah

Dear Mr. Sagers:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial permit application fee, received by the Division on April 14, 2000. The application for the proposed Pine Spring/Clarks Basin Project, located in the SW1/4 of Section 1, NE1/4 of Section 2, and SE1/4 of Section 11, T13N, R16W, SLBM, Box Elder County, Utah is complete and no additional information is required by the Division at this time. Approval by the Division does not relieve you of your responsibility to the US Forest Service. You must receive written approval from the US Forest Service before commencing operations.

You requested variances from Rule R647-3-109. A variances will be granted for item 10 - Stockpiling topsoil as there is no topsoil to be salvaged at this site as verified during the April 19, 2000 inspection of the site.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. Small Mining Notices require a \$100.00 annual fee. A billing statement will be sent to you for the 2000 fiscal year.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

0001

Page 2  
Jeff Sagers  
S/003/053  
April 21, 2000

Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,



Lynn Kunzler  
Senior Reclamation Specialist

jb  
Enclosure  
cc: Carmela, Romero, USFS *w/noi*  
Tracking File  
S03-53-noi